



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

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## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

**Requestor Name**

Elite Healthcare Garland

**Respondent Name**

Arch Insurance Co

**MFDR Tracking Number**

M4-14-1061-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

December 10, 2013

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Per the preauthorization letter which I have attached and per Rule 134.600 preauth can't be withdrawn once received. It was billed accordingly. These three dates should have been paid in full."

**Amount in Dispute:** \$246.00

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "The carrier asserts that it has paid according to applicable fee guidelines and challenges whether the disputed charges are consistent with applicable fee guidelines."

**Response Submitted by:** Flahive, Ogden & Latson

### **SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 22, 25, 2013 and June 24, 2013	97140	\$246.00	\$228.68

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### **Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.600 sets out guidelines for prospective and concurrent review of healthcare.
3. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 168 – Billed charge is greater than maximum unit value or daily maximum allowance for physical therapy/physical medicine services
  - 119 – Benefit maximum for this time period or occurrence has been reached
  - 247 – A payment or denial has already been recommended for this service
  - B13 – Previously paid. Payment for this claim/service may have been provided in a previous payment

## **Issues**

1. Did the requestor support services were prior authorized without limitations?
2. What is the applicable rule to determine reimbursement?
3. Is the requestor entitled to reimbursement?

## **Findings**

1. The carrier denied the disputed services as, 119 – “Benefit maximum for this time period or occurrence has been reached.” 28 Texas Administrative Code §134.600 (p) states in pertinent part, Non-emergency health care requiring preauthorization includes: (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels: (A) Level I code range for Physical Medicine and Rehabilitation, but limited to: (i) Modalities, both supervised and constant attendance; (ii) Therapeutic procedures, excluding work hardening and work conditioning...” Review of the submitted medical records finds;
  - a. Letter from Sedgwick, Inc dated February 27, 2013 which states, “I am authorizing 6 session of PT at 2 times a week for 3 weeks to be completed by 3/13/13.
  - b. Letter from Sedgwick, CMS dated June 17, 2013 which states in pertinent part, “Medically certified PT 1 x 2 Lumbar.” Procedure 97140, Certified Units 2, Start date June 17, 2013, end date July 17, 2013.”

The Division finds the disputed service was prior authorized however no documentation was found to support the authorized services were exceeded. The Carrier’s denial is not supported. Therefore, the services in dispute will be reviewed per applicable rules and fee guidelines.

2. 28 Texas Administrative Code §134.203(c) states in pertinent part, “To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is (date of service annual conversion factor).” The maximum allowable reimbursement (MAR) will be calculated as follows;
  - Procedure code 97140, service date February 22, 2013, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.009 is 0.43387. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.017 is 0.44748. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.834 is 0.00834. The sum of 0.88969 is multiplied by the Division conversion factor of \$55.30 for a MAR of \$49.20. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is subject to 20% reduction of the practice expense component. This procedure has the highest PE for this date. The first unit is paid at \$49.20. The PE reduced rate is \$44.25. The total is \$93.45.
  - Procedure code 97140, service date February 25, 2013, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.009 is 0.43387. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.017 is 0.44748. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.834 is 0.00834. The sum of 0.88969 is multiplied by the Division conversion factor of \$55.30 for a MAR of \$49.20. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is subject to 20% reduction of the practice expense component. This procedure has the highest PE for this date. The first unit is paid at \$49.20.
  - Procedure code 97140, service date June 24, 2013, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.009 is 0.43387. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.017 is 0.44748. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.834 is 0.00834. The sum of 0.88969 is multiplied by the Division conversion factor of \$55.30 for a MAR of \$49.20. Per Medicare policy, when more than one unit of designated therapy

services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is subject to 50% reduction of the practice expense component. This procedure has the highest PE for this date. The first unit is paid at \$49.20. The PE reduced rate is \$36.83. The total is \$86.03.

3. The total allowable reimbursement for the services in dispute is \$228.68. This amount less the amount previously paid by the insurance carrier of \$0.00 leaves an amount due to the requestor of \$228.68. This amount is recommended.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$228.68.

### ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$228.68 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

### **Authorized Signature**

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Signature	Medical Fee Dispute Resolution Officer	Date

### ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register* 3833, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**